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Submitted by B.P.O. To HQ on Site

AMAJUBA DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

AMAJUBA DISTRICT MUNICIPALITY

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GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillor MS Mlangeni - Mayor
 Councillor TMM Phiri - Deputy Mayor
 Councillor MI Dlamini
 Councillor DB Mabuyakhulu
 Councillor JCN Khumalo

GRADING OF LOCAL AUTHORITY

GRADE 3

AUDITORS

AUDITOR-GENERAL

BANKERS

ABSA Bank Limited - Newcastle

REGISTERED OFFICE

Ithala Building
 B9356
 MADADENI
 2951
 Private Bag 6615
 NEWCASTLE
 2940
 Tel No.(034)314 3759
 Fax No.(034)314 3785

COUNCIL MEMBERS OF AMAJUBA DISTRICT MUNICIPALITY

Cllr. NP Stannard - Speaker
 Cllr. P Croft
 Cllr. AT Zwane
 Cllr. TV Buthelezi
 Cllr. LPT Dhlomo
 Cllr. MS Duma
 Cllr. JP Khumalo
 Cllr. HS Madonsela
 Cllr. A Chuang Yiu
 Cllr. NS Matthews

**COUNCIL MEMBERS OF AMAJUBA DISTRICT
MUNICIPALITY(CONTINUED)**

Cllr. GA Mncube
Cllr. L Monareng
Cllr. BJ Mtambo
Cllr. NJ Ndebele
Cllr. RB Ndima
Cllr. EB Ndlovu
Cllr. AN Radebe
Cllr. JME Damons
Cllr. MA Sibeko
Cllr. TC Thungo

MUNICIPAL MANAGER

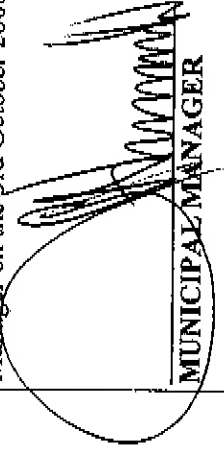
Dr V J Mthembu - D. Administration

CHIEF FINANCIAL OFFICER

M C Masondo - B.Com (Wits) LIMFO

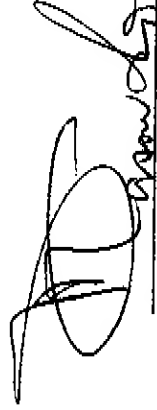
1.1.1.1 APPROVAL OF FINANCIAL STATEMENTS

The Annual Financial Statements set out on pages ~~4 to 16~~ were received by the Municipal Manager on the 3rd October 2008 and will be presented to and approved by the Council.



A large, stylized signature in black ink, appearing to read 'M. Mthembu', is written over a circular stamp.

MUNICIPAL MANAGER



A large, stylized signature in black ink, appearing to read 'M. Masondo', is written over a circular stamp.

CHIEF FINANCIAL OFFICER

FOREWORD

It is with great delight that I present the 2007/2008 Financial Statements to the Community, Council, Service Providers, Investors, Business People and parliament.

Much effort has gone into the preparation of the financial statements. In our quest to present user friendly financial statements, we have partly converted to the GRAP accounting convention. Our conversion is in phases, the current phase focusing on property, plant and equipment, while the next and final phase will address the rest of the financial statement areas. The next phase will be at the end of 2008/2009.

The only setback at the moment in getting an unqualified audit opinion is the absence of corresponding financial statements from our multi jurisdictional water entity, uThukela Water. Because of this we cannot fully account for the monies transferred to that entity. This then results in a qualified audit opinion.

The shareholder municipalities started a process of turning that entity around towards the end of 2007. These efforts were aborted when the MEC for local government intervened in that entity in terms of S139 of the Constitution. Since then, the Water Service Authorities (WSA) powers vested and will continue to vest with the MEC until the report from his investigation is finalized and presented to the relevant municipalities.


Let me take this opportunity to thank the councilors and staff of the municipality for the selfless contribution to the achievement of our service delivery objectives.

I thank the community for their continued involvement in in public participation drives of the municipality like the Budget and IDP Roadshows.

I also thank the business community of the district area for their continued involvement in LED and AFLED structures where their input is always vital.

Your interest in local government matters is an inspiration to us. It motivates us to do our best while serving you.

I thank you all


Cllr MS Mlangeni

MAYOR: AMAJUBA DISTRICT MUNICIPALITY

**REPORT OF THE CHIEF
FINANCIAL OFFICER**

The annual financial statements presented with this report have been prepared in line with the provisions of the Municipal Finance Management Act using the IMFO guidelines of fund accounting with the exception of property, plant and equipment which is accounted for in terms of GRAP. These financial statements include operational results for water and sanitation services carried out by Uthukela Water on its own behalf. However they do not include the position of the entity in the form of assets and liabilities because such information is not available from the entity. These annual financial statements are therefore unconsolidated. A consolidated set of annual financial statements will be prepared and presented once the information is available from uThukela Water (Pty) Ltd.

OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in Appendices D and E. The applicable statistics are shown in Appendix F. The overall operating results for the year ended 30 June 2008 are as follows:

	Actual 2007		Actual 2008	Variance 2007 - 2008	Budget 2008		Variance Actual/Budget
	R		R	%	R	%	
Income							
Operating Surplus/(Deficit)	13,547,938		23,682,721	74.8%	-		
Operating Income for the year	45,730,914		65,440,223	43.1%	70,348,133		-7.0%
Other Transfers	3,234,641		16,180,731				
Sub-total	62,513,493		105,303,675	68.4%	70,348,133		49.7%
Expenditure							
Operating Expenditure for the year	38,830,772		56,010,125	44.2%	70,348,133		-20.4%
Other Transfers	-		-				
Operating Surplus/(Deficit)	23,682,721		49,293,550	108.1%			
Sub-total	62,513,493		105,303,675	68.4%	70,348,133		49.7%

Resource Support Services

	Actual 2007		Actual 2008		Variance 2007 - 2008 %	Budget 2008		Variance Actual/ Budget %
	R		R			R		
Income	45,730,914		65,440,223		43.1%	70,348,133		-7.0%
Expenditure	38,830,772		56,010,125		44.2%	70,348,133		-20.4%
Surplus / (Deficit)	6,900,142		9,430,098		36.7%	-		100.0%
plus as %age of total income	15.1%		14.4%		85.1%	0.0%		14.4%

Resource Support Services: Income by category

	Actual 2007		Actual 2008		Variance 2007 - 2008 %	Budget 2008		Variance Actual/ Budget %
	R		R			R		
Other Sales			6,063,896		100.0%	4,956,864		100.0%
Grants & Subsidies	42,727,473		51,238,326		19.9%	60,787,258		-15.7%
Other Income	3,003,441		8,138,001		171.0%	4,604,011		76.8%
Total Income	45,730,914		65,440,223		43.1%	70,348,133		-7.0%

Resource Support Services: Expenditure by Category

	Actual 2007		Actual 2008		Variance 2007 - 2008 %	Budget 2008		Variance Actual/ Budget %
	R		R			R		
Salaries, wages and allowances	15,132,736		17,824,649		17.8%	26,692,981		-33.2%
General expenses	20,557,529		33,033,590		60.7%	34,171,868		-3.3%
Repairs and maintenance	266,518		512,243		92.2%	3,427,800		-85.1%
Capital charges	384,051		292,787		-23.8%	1,615,211		-81.9%
Contributions to fixed assets	1,037,863		-		-100.0%	2,388,000		-100.0%
Contributions	1,452,074		2,301,307		58.5%	233,651		884.9%
Depreciation	-		2,045,550		100.0%	1,818,622		100.0%
Total Expenditure	38,830,771		56,010,126		44.2%	70,348,133		-20.4%

CAPITAL EXPENDITURE AND FINANCING

Capital expenditure on fixed assets incurred during the year amounted to R 2 821 753 (2007: R3 211 074).

The expenditure consists of the following:

	Actual 2008	Budget 2008	Actual 2007
	R	R	R
Equipment & Furniture	616,963	1,357,000	256,022
Motor Vehicles	1,979,006		1,025,435
Infrastructure Projects	109,197	8,300,000	1,234,920
Water Projects		14,504,186	-
Road & Buildings	116,587		153,303
Waste Management Program			541,389
	2,821,753	24,161,186	3,211,070

A complete analysis of capital expenditure is included in Appendix C. Actual expenditure on water projects is not shown because those assets are under the control of the Water entity. The budget for pit latrine construction to the value of R 5 122 017 is not shown because the latrines are erected on private properties.

TRANSFORMED AND OTHER CAPITAL RECEIPTS

The asset financing funds raised under the IMFO convention have been written back to accumulated surpluses. The following funds were written back

Trans redeemed and advances [paid]	1,437,143
Assets financed from grants	5,686,975
Assets financed from operations	19,426,787
	26,550,906

INTERNAL LOANS, INVESTMENTS AND DEBT

Internal loans outstanding as at 30 June 2008 amount to R 205 141 (R346 460 in 2007) set out in note 4 and Appendix B.

Investments and cash as at 30 June 2008 amount to R 101 532 740 (R72 941 093 in 2007)

NDS, RESERVES AND PROVISIONS

A movement regarding statutory funds, reserves and provisions is set out in Appendix A.

Contribution of 3% of total income was made to the capital development fund in terms of the Local Authorities Ordinance of 1974, Act 25 of 1974.

An amount of R32 587 093 was contributed to funds and reserves during the year under review.

A provision for leave payments was increased to R370 873 (R243 843 in 2007).

VIEW OF POST BALANCE SHEET EVENTS

The Council is still awaiting the report from the MEC on his intervention into Uthukela Water.

GENERAL

There were no material matters during the year apart from those already reported on elsewhere in the financial statements.

APPRECIATION

I would like to thank the Mayor, the Deputy Mayor, the Speaker, Members of the Executive Committee, Councilors, Municipal Manager and Heads of Departments for the support they have given me and my staff during the year.

**C MASONDO B.COM LIMFO
CHIEF FINANCIAL OFFICER
MAJUBA DISTRICT
MUNICIPALITY**

ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd Edition, as amended), except for property, plant and equipment which is accounted for using GRAP in line with the GRAP implementation plan of the municipality approved by National Treasury.

1.2 The financial statements are prepared on the accrual basis:

- Income is accrued when collected and measurable
- Interest is recognised and accounted for as it accrues over time.
- Expenditure is accrued in the year it is incurred.

1.3 Transactions and events are recorded on historical cost, adjusted for Capital expenditure as more fully detailed in note 4. The accounting policies are consistent with those applied in the previous year, except otherwise indicated.

2 GRANTS

2.1 Equitable Share

The municipality's equitable share of nationally raised revenue is gazetted every year in the annual Division of Revenue Act. It is accounted for in terms of note 1 above

2.2 Conditional Grants

Conditional Grants received are contributed to reserves and accounted for on fund accounting basis.

3. CONSOLIDATION

The balance sheet includes the Resource Services and the different funds, provisions and reserves. All inter-departmental charges are set off against each other.

4. INVENTORY

The municipality does not keep any inventory, except for the office consumables, which are accounted for as operating expenses in the income statement.

5. FIXED ASSETS

- 5.1 Property, plant and equipment is stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- 5.2 Tangible fixed assets are reported at historic cost less accumulated depreciation and any write-downs.
- 5.3 Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Amajuba District Municipality and the cost of the item can be measured reliably.
- 5.4 All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.
- 5.5 The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary asset or monetary assets are measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.
- 5.6 Depreciation is straight-lined over the estimated useful economic life of the assets beginning when the asset is ready to be put to use.
- 5.7 Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Infrastructure	Years	Other	Years
		Buildings	30
		Specialist Vehicles	10
		Other Vehicles	5
Water		Office Equipment	3-7
Sewerage		Furniture and Fittings	7-10
		Watercraft	15
Community		Bins and Containers	5
Buildings		Specialized Plant and Equipment	10-15
Recreational Facilities	20-30	Other items of Plant and Equipment	2-5
		Landfill Sites	15

- 5.8 The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
- 5.9 The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

- 5.10 Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- 5.11 Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.
- 5.12 Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognized as an expense in the period that the impairment reverses a previous revaluation.
- 5.13 Where impaired land and buildings are revalued, the increase in value of land and buildings are recognized as revenue to the extent that it reverses the impairment loss previously recognized as an expense.
- 5.14 The gain or loss on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.
- 5.15 For component accounting, a number of essential components have been identified. The useful life of the various components has been determined.
- 5.16 The cost of self-constructed property, plant and equipment comprises the direct cost of materials; direct manufacturing expenses, appropriate allocations of material and manufacturing overheads.
- 5.17 If the construction phase of property, plant or equipment extends over a long period, the interest incurred on borrowed capital up to the date of completion is capitalized as part of the cost of acquisition or construction.
- 5.18 New installations under construction are valued at the expense already incurred, including interest during the installation period. For buildings, interest paid on construction loans is capitalized.
- 5.19 To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated costs of dismantling and removing the asset and restoring the site.
- 5.20 A change in estimated expenditures for dismantling, removal and restoration is added to and/or deducted from the carrying value of the related asset. To the extent that the change would result in a negative carrying amount, this effect is recognized as income. The change is depreciation charge is recognized prospectively.
- 5.2 Impairment of assets**
 - 5.2.1 Property, plant and equipment and intangible assets are considerable for impairment if there is a reason to believe that an impairment may be necessary.
 - 5.2.2 Factors taken into consideration in reaching such a decision include the economic viability of that unit itself.

5.2.3 Definite-lived intangible assets and property, plant and equipment are amortized over their estimated useful lives. The estimated useful lives are based on estimates of the period during which the assets will generate revenue.

5.2.4 Definite-lived assets and property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.

5.2.5 Estimates are also used in the course of acquisitions to determine the fair value of assets and liabilities acquired. Land, buildings and equipment are usually appraised independently, while marketable securities are valued at market price.

5.2.6 If any intangible assets are identified, depending on the type of asset and the complexity of determining its fair value, Amajuba either consults with an independent appropriate valuation technique which is generally derived from a forecast of the total expected future net cash flows.

5.2.7 Assets may be valued using methods based on cost, market price or net present value, depending on the type of asset and the availability of information. The method based on net present value (income approach) is particularly important in relation to intangible assets.

5.2.8 Trademarks and licences, for example, are valued by the relief-from-royalty method, which includes estimating the cost savings that result from Amajuba's ownership of trademarks and licences on which it does not have to pay royalties to a licensor. The intangible asset is then recognized at the present value of these savings.

6. FUNDS AND RESERVES

6.1 Consolidated Capital Development Fund

Legislation requires a contribution of at least 3% of the annual revenue accruing to the borough fund and to the relevant trading funds, provided that when a capital development fund which is sufficient for the council's immediate or foreseeable needs, the council may suspend or reduce contributions into such a fund

6.2 Disaster Management Reserve Fund

This fund is established from contributions from the council and the purpose is to render emergency assistance to vulnerable residents during and within the recovery period after disasters.

6.3 Other Reserves

All other reserves are established from grants received and are utilised to assist local municipalities with operating and capital expenditure. The district municipality also utilises a portion of the reserve for own operating and capital expenditure.

7. SURPLUS AND DEFICIT

Any surplus or deficit arising from the operation of each service is retained in that service for its own use.

8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services is transferred to the various services.

9. LEASED ASSETS

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement.

- Lease finance charges are allocated to the accounting periods over the duration of the leases, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.
- All other leases are treated as operating leases and the relevant rentals are charged to the operating account in a systematic manner relating to the period of use of the assets concerned.

10. INVESTMENTS

Investments are shown at the lower of cost or market value as a result of a permanent decline in the value. Investments are invested in accordance with Section 125 of the Local Authorities Ordinance 1974 (no. 25 of 1974) and in terms of the KwaZulu Natal Joint Services Act (No. 84 of 1990).

11. PROVISIONS

Provisions are established where liabilities are foreseen, but the timing and amounts are not known.

12. RETIREMENT BENEFITS

The Council and its employees contribute to the Natal Joint Municipal Pension Funds, which provides retirement benefits to such employees.

The retirement benefit plan is subject to the Pension Funds Act, 1956, with pensions being calculated on the final annual pensionable remuneration paid. Current contributions are charged against operating income on the basis of current service costs. Unfavourable experience adjustments and the cost of securing increased benefits are charged to operating income by way of increased contributions usually within five to seven years or such other period

recommended by the actuary. Favourable experience adjustments are retained in the retirement plan. Full actuarial valuations are performed every three years.

AMAJUBA DISTRICT MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2008

	NOTE	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		39,500,158	32,816,449
Statutory Funds	2	16,059,843	14,043,053
Reserves	3	23,440,315	18,773,396
ACCUMULATED SURPLUS	14	49,293,550	23,682,721
Trust Funds	4	18,554,763	15,000,000
Long-Term Liabilities	5	205,141	275,607
		<u>107,553,612</u>	<u>71,774,777</u>
EMPLOYMENT OF CAPITAL			
Fixed Assets	6	16,329,886	1,304,202
Investments	7	8,166,587	7,121,541
		<u>24,496,473</u>	<u>8,425,743</u>
NET CURRENT ASSETS / (LIABILITIES)		83,057,140	63,349,034
CURRENT ASSETS			
Debtors	8	115,005,769	85,317,944
Long term Debtors - Short term Portion	8	21,616,676	19,475,402
Investments	7	22,939	22,939
Cash	19	81,858,377	19,399,680
		11,507,776	46,419,923
		0	
CURRENT LIABILITIES			
Provisions	9	31,948,629	21,968,910
Creditors	10	370,873	243,843
Short-term portion of long-term liabilities	5	31,504,396	21,654,214
		73,359	70,853
		-	
		<u>107,553,613</u>	<u>71,774,777</u>

**AMATUBA DISTRICT MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2008**

2007 ACTUAL EXPEN- DITURE R	2007 SURPLUS/ (DEFICIT) R	2008 ACTUAL EXPEN- DITURE R	2008 SURPLUS/ (DEFICIT) R	2008 BUDGET SURPLUS/ (DEFICIT) R
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45,401,327	38,830,771	6,900,142	RESOURCE SUPPORT SERVICES	65,440,223	56,010,125	9,430,098	0
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<u>45,401,327</u>	<u>38,830,771</u>	<u>6,900,142</u>	TOTAL	<u>65,440,223</u>	<u>56,010,125</u>	<u>9,430,098</u>	<u>0</u>
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3,234,641	Appropriations for this year (refer to note 14)	16,180,731
<u>10,134,783</u>	Net surplus / (deficit) for the year	<u>25,610,829</u>
13,547,938	Accumulated surplus / (deficit) at beginning of year	23,682,721
<u>23,682,721</u>	ACCUMULATED SURPLUS / (DEFICIT) AT END OF THE YEAR	<u>49,293,660</u>

AMAJUBA DISTRICT MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED
30 JUNE 2008

	NOTE	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		26,968,661	19,221,417
CASH GENERATED BY OPERATIONS	15	5,491,548	(12,921,621)
INVESTMENT INCOME	18	9,247,834	5,648,292
(INCREASE) / DECREASE IN WORKING CAPITAL	16	7,507,450	(14,386,978)
		22,246,832	(21,660,307)
LESS EXTERNAL INTEREST PAID		(38,132)	(38,346)
CASH (UTILISED) / AVAILABLE FROM OPERATIONS		22,208,699	(21,621,962)
CASH CONTRIBUTIONS FROM THE PUBLIC AND STATE		4,724,962	40,583,489
NET PROCEEDS ON DISPOSAL OF FIXED ASSETS		35,000	259,890
CASH UTILISED IN INVESTING ACTIVITIES			
INVESTMENT IN FIXED ASSETS	6	(1,813,654)	(3,211,071)
NET CASH FLOW		<u>25,155,007</u>	<u>16,010,346</u>
CASH EFFECTS OF FINANCING ACTIVITIES :			
INCREASE / (DECREASE) IN LONG-TERM LOANS	17	(67,154)	247,545
(INCREASE) / DECREASE IN CASH INVESTMENTS	19	(60,000,000)	14,144,059
(INCREASE) / DECREASE IN CASH	19	34,912,147	(30,401,949)
NET CASH (GENERATED) / UTILISED		<u>(25,155,007)</u>	<u>(16,010,346)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. CHANGE IN ACCOUNTING POLICY

During the year the municipality changed its method of accounting for property, plant and equipment from the IMFO basis to GRAP. This is in terms of the GRAP implementation plan approved by National Treasury, whereby conversion is done in phases. The rest of the financial statements are done on IMFO basis still.

The effect of this change in accounting policy and convention is the increase in our accumulated surpluses by R 26 550 960 being a reversal of IMFO based loans redeemed and other capital receipts. The accumulated surplus also decreased by R 6 857 845 being accumulated depreciation in respect of prior years. A decrease of R9 193 153 was due to assets being written off as a result of non existence.

Current operating income was reduced by R 2 045 550 as a result of the depreciation charge for the year. Nothing was charged for contribution to fixed assets.

2. STATUTORY FUNDS

	2008	2007
	R	R
Consolidated Capital Development	16,059,843	14,043,053
Refer to Appendix A for more detail	<u>16,059,843</u>	<u>14,043,053</u>

2008
R

2007
R

3 RESERVES

MUNICIPAL SYSTEMS IMPROVEMENT GRANT	782,204	1,699,641
DWAF-EMERGENCY INTERVENTION;	14,649	13,761
WSDP GRANT;	1,101,651	1,121,225
DEVELOPMENT PLANNING CAPACITY/TOMATOE	125,601	117,988
I.D.P. REVIEW GRANT;	39,199	56,724
DWAF REFURBISHMENT GRANT;	1,046,075	982,671
RURAL SERVICE CENTRE GRANT;	-	403,777
GIS SUPPORT GRANT;	50,672	143,329
MUNICIPAL FINANCE MANAGEMENT/MAP	-	367,093
DIS.MANAGEMENT-CIVIL PROTECT	16	2,733
DIS.MANAGEMENT-UTILITY VEHIC	-	4,021
SPORTS & RECREATIONAL GRANT;	7,075,328	564,762
MIG GRANT;	4,656,065	4,193,206
Shared Service Centre;	514,056	1,025,559
Inter Develop Infra Capacity	142,977	134,311
Institute & Capacity Support	224,908	773,766
Drakensberg Nodal Study Grant	345,095	335,778
DISASTER RELIEF GRANT;	180,491	2,556,342
IMPLEMENT OF SERVICE DELIVER	138,244	432,987
FACILITATION OF BACKLOG STUD	59,173	55,586
DIMMS GRANT;	43,442	234,694
DISASTER MANAGEMENT FORUM;	-	18,500
DISASTER MANAGEMENT PLAN;	236,246	221,927
DISASTER MANAGEMENT CENTRE;	844,137	1,007,175
-PUBLIC TRANSPORT;	312,186	393,264
PROFESSIONAL ASSISTANCE;	492,149	462,319
-INTERGRADED DEVELOPMENT PLAN	160,609	155,184
INKULULEKO YOMPAKATHI TRUST;	1,124	1,056
AMATHUNGWA TRUST FUND;	63,486	59,775

	2008	2007
	R	R
MAP:		
CEMETARY PLAN DBSA	675,406	835,336
DBSA TOMATO PROJECT	21,948	20,618
STRATEGIC SUPPORT GRANT:	162,428	152,584
EMANDLANGENI FEASIBILITY STU	106,451	
WATER CONSERVATION/WATER DEM	638,713	
DROUGHT RELIEF GRANT	828,830	
	1,064,522	
• DEVELOP OF SYNERGIES:GIJIMA:	306,804	
ADM GROWTH & DEVELOPMENT SUMMIT	-	
• KZN AMAJUBA HYDROPHONICS TEC	745,165	
DISASTER MANAGEMENT FUND	240,266	225,703
	23,440,315	18,773,395

4 TRUST FUNDS

2010 Soccer Stadium	18,554,762.57	15,000,000
(Refer to Appendix A for more detail)	18,554,763	15,000,000

Trust fund monies have been externally invested at De Jager Baqwa Steyn & Maritz (Standard Bank)

5 LONG-TERM LIABILITIES

Finance Leases	278,501	346,460
Annuity Loans	-	0
LESS: Current Portion transferred to Current Liabilities	(73,359)	(70,853)
Finance Leases	73,359	70,853
Annuity loans	-	0
(Refer to Appendix B for more detail on long-term liabilities)	205,141	275,607

The Finance Lease is secured by assets of Amajuba District Municipality as reflected in note 5.

2008	2007
R	R

6. FIXED ASSETS

Fixed assets at the beginning of the year
 Capital expenditure during the year
 Less: Assets written off, transferred or
 disposed of during the year

	-	25,443,259
	-	3,211,071
	0	(802,373)
Total Fixed Assets	-	27,851,957

Less : Loans redeemed and other capital receipts

	0	(26,547,754)
Net Fixed Assets	-	1,304,203

(Refer to note 6 Annexure and Appendices c and unbundling for more information on fixed assets).

7. INVESTMENTS**Unlisted**

Short Term Call Deposits
 Long Term Deposits
Total Investments

	81,858,377	19,399,680
	8,166,587	7,121,541
Total Investments	90,024,964	26,521,221

Market value of listed investments, and
 management's valuation of unlisted investments

Unlisted Investments

	-	0
--	---	---

Average rate of return on investments

	10.00%	12.00%
--	--------	--------

The Local Authorities (Investment of Funds) Ordinance, No. 23 of 1935 requires local authorities to invest funds, which are not required, with prescribed institutions and the period should be such that it will not be necessary to borrow funds against the investment at a penalty rate to meet commitments.

PROPERTY, PLANT AND EQUIPMENT
30 June 2008

Reconciliation of Carrying Value		Carrying Values at 01 July 2007		Carrying Values at 30 June 2008	
Land and Buildings	Infrastructure	Intangible Assets	Community	Other	Total
R	R	R	R	R	R
-	131,033	541,390	7,829,371	14,539,904	23,041,698
Cost					
Capital Under Construction					27,853,893
Revaluation					14,619,290
Accumulated Depreciation					(1,912,295)
- Cost					
- Revaluation					
Acquisitions / Write-Ons					
-	-	-	-	2,821,753	2,821,753
Capital Under Construction					-
- Current Year					
- Capitalised					
Increases / Decreases in Revaluation					
-	-	-	-	-	-
Depreciation					
- Based on Cost	(7,497)	(180,958)	(288,431)	(1,568,665)	(2,045,550)
- Based on Revaluation					(2,149,500)
Carrying Value of Disposals / Write-Offs					
-	(123,537)	-	(7,141,735)	(222,743)	(7,488,015)
- Cost					
- Accumulated Depreciation					(97,115)
Impairment Losses					
-	-	-	-	-	-
Other Movements					
-	-	-	-	-	-
Cost					
Capital Under Construction					16,329,886
Revaluation					15,570,249
Accumulated Depreciation					
- Cost					
- Revaluation					

2008 2007
R R

8. LONG-TERM DEBTORS

Loans to employees	22,939	22,939
	22,939	22,939
Less: Short term portion of long term debtors transferred to current assets	(22,939)	(22,939)
	-	0

8 DEBTORS

Levy Debtors	-	34,398
Suspence & Sundry	18,639,247	15,315,058
VAT-Receiver of Revenue	2,794,338	3,743,420
Accrued Interest	183,090	407,769
Less: Provision for bad debts	0	(25,243)
	21,616,676	19,475,402

Amounts totalling R25 243 were written off against the provision as bad debts.

9 PROVISIONS

Leave Pay	370,873	243,843
-----------	---------	---------

0 CREDITORS

Trade Creditors	4,448,536	6,122,457
Deposits - Other	1,349,293	519,026
Retentions	4,357,977	3,479,406
uThukela Water-Water & Sanitation	21,348,589	11,533,325
	31,504,397	21,654,214

2008
R

2007
R

11 COUNCILLORS REMUNERATION

Mayor's Allowance	458,331	396,251
Deputy Mayor's Allowance	369,544	282,077
Speaker's Allowances	364,132	273,264
Executive Committee Allowances	939,452	1,004,762
Members' allowances	884,075	1,470,923
Sitting Allowances	90,200	54,426
	3,105,734	3,481,703

12 AUDITORS REMUNERATION

Audit Fees-External	645,095	463,166
Audit Fees-Internal	171,563	163,750
	816,658	626,916

13 FINANCE TRANSACTIONS

Total external interest earned or paid:

Interest Earned	9,247,834	5,648,292
Interest Paid	38,132	38,346

Capital Charges debited to operating account:

Interest : External	38,132	38,346
Internal	112,500	120,000
Redemption: External	67,154	150,705
Internal	75,000	75,000
	292,787	384,051

14 ACCUMULATED SURPLUS**APPROPRIATION ACCOUNT**

Accumulated surplus at the beginning of the year
 Operating surplus for the year
 Appropriations for the year:

Prior Year Expenditure	23,682,721	13,547,938
Cancelled cheque written back	9,430,098	6,900,142
Prior Year levy Income	16,180,731	3,234,641
Over Provision performance bonuses	(86,044)	(314,918)
Vat Audit previous years income	7,150	-
Correction over provision of Interest	415,017	2,638,777
Prior year interest	200,428	70,682
Cancelled orders	186,058	643,689
Bad Debts Written off-Levy Debtors	-	45,368
Sundry Income-Prior Years	50,808	78,182
Property, Plant & Equipment Ex Government Grants	(4,185)	72,861
Off Setting Depreciation	(9,156)	-
Provision of Accumulated Depreciation	14,931	-
Disposal of Acc Depreciation Assets	1,008,099	-
Disposal of Assets	2,045,550	-
Transfer of Capital Receipt	(6,857,845)	-
Sundry Receipts	1,705,138	-
	(9,193,153)	-
	26,693,865	-
	4,070	-
Accumulated surplus at the end of the year	49,293,550	23,682,721

Operating Account

Capital Expenditure
 Contributions to Provisions

Capital Expenditure	1,000,000	0
Contributions to Provisions	338,100	472,968
Leave Pay	338,100	472,968

Contribution to Consolidated Capital Development Fund
 Disaster Management Fund

Contribution to Consolidated Capital Development Fund	1,963,207	1,452,074
Disaster Management Fund	3,301,307	140,909
	3,301,307	2,065,951

15 CASH GENERATED BY OPERATIONS

	2008 R	2007 R
Surplus / (Deficit) for year	9,430,098	6,900,142
Adjustment in respect of: Previous year's operating transactions	16,180,731	-314,918
Appropriations charged against income:	2,301,307	2,065,951
- Capital Development Fund	1,963,207	1,452,074
- Provisions and Reserves	338,100	613,877
Capital Charges:		
Interest paid:		
- to internal funds	112,500	120,000
- on external funds	38,132	38,346
Redemption:		
- of internal advances	75,000	75,000
- of external loans	67,154	150,705
Deferred charges written off	-	0
Levy Income	0	2,638,777
Non-operating Expenditure:		
Expenditure charged against Provisions and Reserves	(22,713,374)	(24,595,624)
	5,491,548	-12,921,621

2008
R

2007
R

16 (INCREASE) / DECREASE IN WORKING CAPITAL

(Increase) / decrease in inventory	-	-
(Increase) / decrease in debtors, long term debtors	(2,137,591)	(15,751,466)
Increase / (decrease) in Creditors	9,850,182	1,048,127
(Increase) / decrease in long term debtors	-	40,754
Increase / (decrease) in short term portion of long -term liabilities	(205,141)	275,607
	<u>7,507,450</u>	<u>(14,386,978)</u>

17 INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)

Loans raised	-	398,250
Loans repaid	(67,154)	(150,705)
	<u>(67,154)</u>	<u>247,545</u>

18 (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS

Investment realised	-	14,144,059
Investment made	(60,000,000)	-
	<u>(60,000,000)</u>	<u>14,144,059</u>

19 (INCREASE) / DECREASE IN CASH ON HAND

Cash balance at the beginning of the year	46,419,923	16,017,974
Less: Cash Balance at the end of the year	11,504,576	46,419,923
Petty Cash	3,000	
Cashiers Deposit	200	
	<u>34,912,147</u>	<u>(30,401,949)</u>

2008	2007
R	R

20 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for
- Approved but not yet contracted for

17,364,333	18,524,348
-	-
17,364,333	18,524,348

- This expenditure will be financed from:

- Consolidated Capital Development and Loans Fund
- Government Grants
- Other

17,364,333	18,524,348
-	-
17,364,333	18,524,348

21 DISCLOSURES IN RESPECT OF OFFICIALS

The following total packages were paid to the undermentioned officials during the year under review

Municipal Mmanger	719,228.00	340,758.00
Chief Financial officer	543,876.00	0.00
Director : Corporate Sservices	496,266.00	537,808.00
Director : Community Sservices	496,265.00	539,126.00
Director : Engineering Services	496,265.00	532,319.00
Director : Planning and development	495,266.00	554,336.00
Director : Strategic support		429,092.00
CFO (Consultant)		550,000.00
	<u>3,247,166.00</u>	<u>3,483,439.00</u>

22 COMPULSORY DISCLOSURES

Municipal entities

Name of entity : Uthukela Water

The water entity is currently under the control of the MEC for local government as a result of his intervention in terms of s139 of the Constitution.

Contributions to organised local government

SALGA KZN

A contribution of R 128 260 was made during the year to organised local government.

Employee contributions

The following contributions were made to the respective funds on behalf of employees as part of their service conditions.

Pension fund contributions	2,114,884.00	719,421.00
Medical aid contributions	707,654.00	280,946.00
	<u>2,822,538.00</u>	<u>1,000,367.00</u>

2008	2007
R	R

Contingent Liabilities

There were no contingent liabilities that the municipality is exposed to as the end of the financial year.

Irregular or Fruitless and wasteful expenditure and losses

There were no material irregular or fruitless and wasteful expenditure and material losses reported during the year under review.

Related party transactions

Name of party	Relationship	Amount
Uthukela Water	Shared control entity	9,815,264

Investment summary

The following investments were held by the municipality as at 30 June 2008

Investec Bank	8,166,587	7,121,541
ABSA	33,479,873	11,783,737
Standard Bank	27,990,004	7,615,943
Nedbank	20,388,948	
	<u>90,025,412</u>	<u>26,521,221</u>

Banking information

The municipality operated one primary bank account during the year under review

Bank Name	Amount at year end
ABSA	11,507,776
	46,419,923

APPENDIX A
ACCUMULATED FUNDS, PROVISIONS AND RESERVES

	UNSPENT BALANCE 01/07/2007	CURRENT YEARS RECEIPTS	INTEREST ALLOCATED	OPERATING EXPENDITURE	CAPITAL EXPENDITURE	TRANSFERS	UNSPENT BALANCE 30/06/2008
WERNIKENT GRANTS							
MICIPAL SYSTEMS IMPROVEMEN	1,899,641	1,000,000	47,430	1,944,847			782,204
IAF-EMERGENCY INTERVENTION:	13,764	-	888				14,649
SDP GRANT:	1,121,225	-	66,772	86,346			1,101,651
VELOPMENT PLANNING CAPACITY/TOMATOE	117,988	-	7,613				125,601
IP REVIEW GRANT:	56,724	-	2,376	19,901			39,199
IAF REFURBISHMENT GRANT:	982,671	-	63,404	-			1,046,075
RAL SERVICE CENTRE GRANT:	403,777	-	-	403,777			(0)
S SUPPORT GRANT:	143,329	-	3,071	32,918	62,810		50,672
MICIPAL FINANCE MANAGEMENT/MAF	367,093	-	-	367,093			0
S.MANAGEMENT-CIVIL PROTECT	2,733	-	-	2,717			16
S.MANAGEMENT-UTILITY VEHIC	4,021	-	-	4,021			(0)
SPORTS & RECREATIONAL GRANT:	564,762	8,750,000	428,843	-	2,448,277		7,075,328
S GRANT:	4,193,206	19,067,989	328,152	15,078,032	3,855,250		4,456,065
red Service Centre:	1,020,589	-	31,857	542,660			514,056
er Develop Infra Capacity	134,311	-	8,666	-			142,977
uture & Capacity Support	771,766	-	13,632	562,490			224,908
kensberg Model Study Grant	333,778	-	20,917	11,600			345,095
MASTER RELIEF GRANT:	2,556,342	-	10,940	2,386,791			180,491
ELEMENT OF SERVICE DELIVER	432,987	-	8,379	303,122			138,244
ELITATION OF BACKLOG STUD	55,584	-	3,587	-			59,173
WIS GRANT:	234,494	-	2,633	193,885			43,442
MASTER MANAGEMENT FORUM:	18,500	-	-	18,500			(0)
MASTER MANAGEMENT PLAN:	221,927	-	14,319	-	87,145		236,246
MASTER MANAGEMENT CENTRE:	1,007,175	-	51,164	127,057			844,137
LIC TRANSPORT:	393,264	-	18,922	100,000			312,186
PROFESSIONAL ASSISTANCE:	462,319	-	29,830	-			492,149
ENHANCED DEVELOPMENT PLAN	155,184	-	9,735	4,310			160,609
ULULEKO YOMPAKATHI TRUST:	1,056	-	68	-			1,124
THUNGWA TRUST FUND:	59,775	-	3,848	137			63,486
ETARY PLAN DBSA	835,336	-	40,937	200,867			675,406
A TOMATO PROJECT	20,618	-	1,330	-			21,948
ATEGIC SUPPORT GRANT:	152,584	-	9,844	-			162,428
INDLANGENI FEASIBILITY STU	-	100,000	6,451	-			106,451
TER CONSERVATION/WATER DEM	-	600,000	38,713	-			638,713
UGHT RELIEF GRANT	-	794,000	50,236	5,406			828,830
ELOP OF SYNERGIES/GIJIMA:	-	1,000,000	64,522	-			1,064,522
GROWTH & DEVELOPMENT SUMMIT	-	485,104	18,596	196,896			306,804
AMA/TUBA HYDROPHONICS TEC	-	100,000	-	100,000			745,165
AMA/TUBA HYDROPHONICS TEC	-	700,000	45,165	-			-
AL CONDITIONAL GRANTS & RECEIPTS	18,547,492	32,587,093	1,482,120	22,713,374	6,673,482	-	23,200,049
DS							
MASTER MANAGEMENT FUND:	225,703		14,563				240,266
AL FUNDS	225,703		14,563				240,266
ACCUMULATED FUNDS							
SOLIDATED CAPITAL DEVELOPMENT FUND	11,857,992	112,500	-	-	1,000,000	-	10,970,492
BEST EARNED	1,835,284	1,943,207	906,082	-	-	-	4,704,553
SEEDS ON DISPOSAL OF ASSETS	349,798	35,000	-	-	-	-	384,798
AL CAPITAL DEVELOPMENT FUND	14,043,074	2,110,707	906,082	-	1,000,000	-	16,059,843
PROVISIONS							
TSIONS							
E PAY	243,843	257,051	-	130,021	-	-	370,873
IL PROVISIONS	243,843	257,051	-	130,021	-	-	370,873
IT FUNDS							
SOCCER STADIUM TRUST FUND	15,000,000	2,000,000	1,554,763	-	-	-	18,554,763
AL TRUST FUNDS	15,000,000	2,000,000	1,554,763	-	-	-	18,554,763

AMAJUBA DISTRICT MUNICIPALITY
APPENDIX B
SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2008

EXTERNAL LOANS									
Issued	Loan No.	Redeemable	Balance at 30/06/2007	Received during	Redeemed / written off	Balance at 30/06/2008			
			R	R	R	R			
<u>Financial Leases :</u>									
2006 @ 9.50%	71836458	30/06/2011	346,460	-	67,960	278,501			
Total Financial Leases			346,460	-	67,960	278,501			
<hr/>									
Total External Loans			346,460	-	67,960	278,501			

INTERNAL ADVANCES TO BORROWING SERVICES

Issued	Interest rate	Periods Left	Balance at 30/06/2007		Received during R	Redeemed / written off		Balance at 30/06/2008	
			R			R		R	
Capital Development Fund	10%	14	1,125,000		-	75,000		1,050,000	
Total External Loans			1,125,000		-	75,000		1,050,000	

ANAJUBA DISTRICT MUNICIPALITY
APPENDIX B (i)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

Cont

	Cost				Accumulated Depreciations			
	Opening Balance	Additions / Write-Offs	Work in Progress	Disposals / Write-Offs	Opening Balance	Additions / Write-Offs	Disposals / Write-Offs	Closing Balance
STRUCTURE ASSETS								
Information Projects - Central	61,632	-	-	(61,632)	-	-	-	-
Information Projects - North	-	-	-	-	-	-	-	-
Information Projects - Sanctions (General) - Water Tanks	61,632	-	-	(61,632)	-	-	-	-
Information Projects - Sanctions	87,892	-	-	(87,892)	-	-	-	-
Information Projects - Sanctions	87,892	-	-	(87,892)	-	-	-	-
Information Projects - Sanctions	149,523	-	-	(149,523)	-	-	-	-
INFRASTRUCTURE ASSETS								
Information Projects - Sanctions	6,470,400	-	380,000	(6,087,390)	-	-	(241,390)	-
Information Projects - Sanctions	6,470,400	-	380,000	(6,087,390)	-	-	(241,390)	-
Information Projects - Sanctions	1,439,257	-	-	(1,439,257)	-	-	(1,439,257)	-
Information Projects - Sanctions	1,439,257	-	-	(1,439,257)	-	-	(1,439,257)	-
Information Projects - Sanctions	1,439,257	-	-	(1,439,257)	-	-	(1,439,257)	-
Information Projects - Sanctions	7,909,656	-	380,000	(7,496,646)	-	-	(316,646)	-
ASSETS								
Information Projects - Sanctions	11,961,343	(16,267)	-	(71,885)	748,800	402,884	(69,182)	1,182,492
Information Projects - Sanctions	1,698,382	481,125	-	(6,806)	1,058,043	282,074	(47,311)	1,292,806
Information Projects - Sanctions	947,356	165,811	32	(1,590,050)	407,327	147,169	(32)	554,424
Information Projects - Sanctions	3,582,017	1,979,006	109,197	(1,546,984)	1,993,905	724,192	(1,380,304)	1,337,793
Information Projects - Sanctions	220,000	209,197	-	(1,546,984)	62,378	32,314	(70,067)	24,625
Information Projects - Sanctions	18,810,388	2,821,793	-	(1,546,984)	4,270,484	1,508,665	(1,380,304)	4,398,845
Information Projects - Sanctions	18,810,388	2,821,793	-	(1,546,984)	4,270,484	1,508,665	(1,380,304)	4,398,845
Information Projects - Sanctions	18,810,388	2,821,793	-	(1,546,984)	4,270,484	1,508,665	(1,380,304)	4,398,845

Information Projects - Sanctions

ANAJUBA DISTRICT MUNICIPALITY

APPENDIX B (i)
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

Cont

	Cost				Accumulated Depreciations			
	Opening Balance	Additions / Write-Offs	Under Construction	Disposals / Write-Offs	Opening Balance	Additions / Write-Offs	Disposals / Write-Offs	Closing Balance
BLUE ASSETS								
Information Projects - Sanctions	18,810,388	2,821,793	-	(1,546,984)	4,270,484	1,508,665	(1,380,304)	4,398,845
Information Projects - Sanctions	984,487	-	-	-	433,067	180,926	-	614,093
Information Projects - Sanctions	984,487	-	-	-	433,067	180,926	-	614,093
Information Projects - Sanctions	-	-	-	-	-	-	-	-
Information Projects - Sanctions	-	-	-	-	-	-	-	-
Information Projects - Sanctions	27,853,994	2,821,793	380,000	(8,195,153)	4,793,808	2,038,003	(1,679,142)	5,152,669
Information Projects - Sanctions	27,853,994	2,821,793	380,000	(8,195,153)	4,793,808	2,038,003	(1,679,142)	5,152,669
Information Projects - Sanctions	27,853,994	2,821,793	380,000	(8,195,153)	4,793,808	2,038,003	(1,679,142)	5,152,669

Information Projects - Sanctions

Information Projects - Sanctions

Information Projects - Sanctions

Information Projects - Sanctions

Information Projects - Sanctions

Information Projects - Sanctions

ANAZUBA DISTRICT MUNICIPALITY
APPENDIX B (i)

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost			Accumulated Depreciation		
	Opening Balance	Additions / Write-Offs	Work in Progress	Disposals / Write-Offs	Depreciation This Fin Year	Deposals / Write-Offs
VE LEASES						
Vehicle Lease	305,329	-	-	-	307,945	-
Vehicle Lease	548,250	-	-	-	-	-
441 ADVANCES						
Trucks	643,579	-	-	-	107,945	-
	1,500,000	-	-	-	50,137	-
	1,500,000	-	-	-	50,137	-
	2,343,579	-	-	-	158,082	-
and Redemmed & Advances Paid	172,119	-	-	-	-	-
GRANT & SUBSIDIES						
INCOME	11,786	149,950	-	-	4,571	-
	5,759,767	-	-	(1,563,363)	504,743	(530,834)
	11,740	-	-	-	2,086	-
		79,948	-	(870)	8,417	(124)
INCOME	5,743,293	229,943	-	(3,564,233)	519,819	(530,958)
CONTRIBUTIONS FROM OPERATING INCOME	15,605,830	858,122	-	(4,671,228)	738,943	(310,999)
	4,016,916	21	-	(755,402)	537,605	(752,748)
	4,375	1	-	(1,950)	626	(1,374)
		1,733,666	-	(900)	90,459	(118)
INCOME	19,727,121	2,593,810	-	(5,428,921)	1,367,649	(1,074,180)
	27,853,924	2,821,758	-	(8,153,152)	2,045,500	(1,705,138)

Fixed Assets	
Description	TOTALS
Executive and Council	
Municipal Manager	
Corporate Services/Gijima	
Community Services	
Financial Services	
Engineering Services	
Planning & Development Services	
Other	

[illegible]

Accumulated Depreciation			
Opening Balance	Additions / Write-Ons	Disposals / Write-Offs	Closing Balance
360,964	183,829	(14,998)	529,794
121,819	49,779	(300)	171,298
939,730	563,763	(4,713)	1,498,780
273,618	639,066	(356,205)	956,481
610,844	233,052	(890)	843,006
1,625,334	228,380	(1,178,803)	674,911
879,988	147,679	(149,229)	878,438
4,812,296	2,045,550	(1,705,138)	5,152,707

[illegible]

APPENDIX C : ANALYSIS OF FIXED ASSETS

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APPENDIX C : ANALYSIS OF FIXED ASSETS

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ANALYSIS OF FIXED ASSETS-LOANS REDEEMED & GRANTS & OPERATIONS

2007

LOANS REDEEMED AND OTHER

CAPITAL RECEIPTS

Balance before Implementation of Gamap

Loans redeemed & Advances Repaid

Contributions from operating income

Grants and Subsidies

26,550,906

1,437,143

19,426,787

5,686,975

Implementation of Gamap

Redemption on External Loans 2007 was transferred to Accumulated Surplus

Redemption on previous internal loans was transferred to

accumulated surplus

PPE previously Financed from Grants transferred to Government

Grant Reserve Fund

PPE previously financed from operations transferred to

Accumulated Surplus

(26,550,905.66)

(1,437,143)

0

(5,686,975)

(19,426,787)

0

AMATUBA DISTRICT MUNICIPALITY

IMPLEMENTATION OF GAMAP 17

AMAJUBA DISTRICT MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007 R	Actual 2008 R	Budget 2008 R
<u>INCOME</u>		
	Government and Provincial grants and subsidies	
42,727,473	51,238,326	60,787,258
0	0	0
0	6,063,896	4,956,864
0	0	0
3,003,441	8,138,001	4,604,011
45,730,914	65,440,223	70,348,133
<u>EXPENDITURE</u>		
14,632,477	17,824,649	26,692,981
	Depreciation	1,818,622
20,443,911	2,045,550	34,171,868
462,934	33,033,590	3,427,800
384,051	512,243	1,615,211
841,448	292,787	2,388,000
2,065,951	0	233,651
0	2,301,307	0
38,830,772	56,010,125	70,348,133
0	0	0
	Less: Amounts charged out	
	Net expenditure	
38,830,772	56,010,125	70,348,133

AMATJUBA DISTRICT MUNICIPALITY

APPENDIX E

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R	Executive Mayor & Council Municipal Manager Corporate Services Social Services - Community Services Financial Services - SCM and Operations Financial Services - Budget & Treasury Technical Services Social Services - Community Halls Planning and Economic Dev PTDAMS Centre Social Services - Health & Disaster Utshuk's Water - Entity Sub - Total	2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R	2008 Budget Surplus/(Deficit) R
11,207,261	11,207,261	(11,207,261)		22,739,896	19,872,317	2,867,579	1,403,790
4,893,998	4,893,998	(4,893,998)		-	6,138,566	(6,138,566)	(6,373,881)
98,778	5,275,991	(5,177,213)		208,812	5,962,972	(5,754,160)	(9,609,854)
1,900,084	3,913,972	(2,013,788)		1,019,000	7,286,828	(6,267,828)	(7,749,290)
32,143,143	5,532,746	24,612,397		38,365,175	5,098,181	33,266,994	30,078,763
13,854,254	-	-		867,693	1,228,290	(360,597)	(6,07,627)
-	4,169,732	9,734,922		768,000	4,041,962	(3,273,962)	(5,949,648)
-	-	-		903,777	848,540	58,238	6,606
532,565	532,565	-		100,170	5,053,522	(4,953,352)	(6,903,980)
-	-	-		-	478,947	(478,947)	(1,623,474)
45,725,914	38,830,772	6,900,142		474,300	-	474,300	48,276
-	-	-		65,440,223	56,010,125	9,430,098	-
-	-	-	Less: Inter-Departmental charges	-	-	-	-
45,725,914	38,830,772	6,900,142	TOTAL	65,440,223	56,010,125	9,430,098	-
3,234,641	-	3,234,641	Appropriations for three years (refer to note 15)	-	-	-	-
10,184,783	-	10,184,783	Net surplus / (deficit) for the year	-	-	16,180,731	-
19,547,998	-	19,547,998	Accumulated surplus / (deficit) at beginning of year	-	-	25,610,829	-
23,682,721	-	23,682,721	ACCUMULATED SURPLUS / (DEFICIT) AT END OF THE YEAR	-	-	23,682,721	-
-	-	-		-	-	49,293,550	-

APPENDIX F
STATISTICAL INFORMATION

Number of Councillors of the Municipality
Number of employees of the Municipality

25
54

MUNICIPAL PERFORMANCE REPORTING FRAMEWORK

AMAJUBA DISTRICT MUNICIPALITY

SECTION 1

LEGISLATED KEY PERFORMANCE INDICATORS

REGULATION 10, MUNICIPAL PLANNING AND PERFORMANCE REGULATIONS, DATED 21 AUGUST 2001

NO	ITEM	STANDARD PROVINCIAL INDICATOR/MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEARS ANNUAL DEVELOPMENT INCLUDING BASELINE TARGET FROM THE IDP (2007/2008 IDP TARGET)	PREVIOUS YEARS ANNUAL DEVELOPMENT INCLUDING BASELINE TARGET FROM THE IDP (2007/2008 IDP TARGET)	3 YEAR TARGET FROM THE IDP (2009/2011 TARGET)	ACTIONS TO CORRECT UNDER PERFORMANCE/ COMMENTS	SOURCE OF INFORMATION	AUDIT YES
1	SERVICE DELIVERY	Number of households with access to basic water	12474	2119	3500	2087	14268	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	R 13,642,170							
	CAP budget adjusted	None							
	CAP budget actual spent	R 13,642,170							
2	SERVICE DELIVERY	Number of households with access to basic sanitation	21105	1268	1719	787	17310	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	R 15,076,367							
	CAP budget adjusted	R 3,330,097							
	CAP budget actual spent	R 3,330,097							
3	SERVICE DELIVERY	Number of households with access to basic electricity	not applicable	not applicable	not applicable	not applicable	not applicable	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	not applicable							
	CAP budget adjusted	not applicable							
	CAP budget actual spent	not applicable							
4	SERVICE DELIVERY	Number of households with access to basic solid waste removal	not applicable	not applicable	not applicable	not applicable	not applicable	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	not applicable							
	CAP budget adjusted	not applicable							
	CAP budget actual spent	not applicable							
5	SERVICE DELIVERY	Number of households with access to Free Basic Water	18474	2119	3500	2087	14268	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	R 13,642,170							
	CAP budget adjusted	None							
	CAP budget actual spent	R 13,642,170							
6	SERVICE DELIVERY	Number of households with access to Free Basic Sanitation	no information available	no information available	no information available	no information available	no information available	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	no information available							
	CAP budget adjusted	no information available							
	CAP budget actual spent	no information available							
7	SERVICE DELIVERY	Number of households with access to Free Basic Electricity	not applicable	not applicable	not applicable	not applicable	not applicable	2005 backlog study and MIG business plans, WSDP, MIG	
	CAP budget original	not applicable							
	CAP budget adjusted	not applicable							
	CAP budget actual spent	not applicable							

PERFORMANCE INDICATOR	MEASUREMENT (2006/2007)	MEASUREMENT (2007/2008 IIP TARGET)	MEASUREMENT (2007/2008)	TARGET	service a responsibility of local municipality	YES	INFORM
8 SERVICE DELIVERY	Free Basic Solid Waste Removal	not applicable	not applicable	not applicable	not applicable		
	CAP budget original	not applicable	not applicable	not applicable	not applicable		
8 SERVICE DELIVERY	% municipality's capital budget spent on projects identified in the municipality's IDP (refer to KPI 30 below)	not applicable	to be completed in future	to be completed in future	to be completed in future		
	Operating budget original	not applicable	R 22,442,368	R 26,850,000	R 107,049,221		
	Operating budget adjusted	not applicable	R 22,747,830	R 31,393,000	R 25,428,808		
	Operating budget actual spent	not applicable	R 31,063,975	R 22,632,675	R 22,600,000		
10 SERVICE DELIVERY	Number of jobs created through municipal LED initiatives (refer to no 8 in Questionnaire)	not applicable	580	information not available	1629		
	Operating budget original	not applicable	R 2,015,000	R 1,818,000	R 5,534,370	Monthly Expenditure Report Sector analysis: Manufacturing, Agriculture and Commerce	
	Operating budget adjusted	not applicable	R 1,190,131	R 1,495,000	R 5,534,370	Budget 2007/08	
	Operating budget actual spent	not applicable	R 1,403,399	R 861,022	R 5,534,370	Final Adjustment Budget	
11 SERVICE DELIVERY	Number of people from employment to no 3 in Questionnaire	not applicable	9	information not available	10	Monthly Expenditure Report	
	Operating budget original	not applicable	0	information not available	to be completed in future	Employment Equity Plan	
	Operating budget adjusted	not applicable	0	information not available	to be completed in future	Employment Equity Plan	
	Operating budget actual spent	not applicable	0	information not available	0	Employment Equity Plan	
12 SERVICE DELIVERY	Number of women employed in the three highest management levels in the municipality (consolidated figure)	not applicable	0	information not available	6	Employment Equity Plan	
13 SERVICE DELIVERY	Number of people with disabilities employed in the three highest management levels in the municipality	not applicable	0	information not available	0	Employment Equity Plan	
14 SERVICE DELIVERY	% of the municipality's budget spent on implementing the work place skills plan (refer to KPI 10+16 below)	not applicable					
	Operating budget original	R 584,000	R 830,000	R 733,000	R 2,647,044	Budget 2007/08	
	Operating budget adjusted	R 629,000	R 733,000	R 733,000	R 2,647,044	Final Adjustment Budget	
	Operating budget actual spent	R 501,748	R 764,079	R 733,000	R 2,647,044	Monthly Expenditure Report	
15 SERVICE DELIVERY	Financial viability 1 (refer to Annexure A)	-103.43%			-351.77%	Financial Statements	
16 SERVICE DELIVERY	Financial viability 2 (refer to Annexure A)	not applicable			not applicable	Financial Statements	
17 SERVICE DELIVERY	Financial viability 3 (refer to Annexure A)	20.34%			21.75%	Financial Statements	

SECTION 2
ADDITIONAL PROVINCIAL KEY PERFORMANCE INDICATORS

NO	ITEM	STANDARD PROVINCIAL INDICATOR/MUNICIPAL PERFORMANCE INDICATOR	BACKLOG	PREVIOUS YEARS' CONSOLIDATED/ TARGET FROM THE IDP (2006/2007)	ANNUAL DEVELOPMENT TARGET FROM THE IDP (2007/2008 IDP TARGET)	CURRENT YEARS' CONSOLIDATED/ BASELINE (2007/2008)	3 YEAR TARGET OF THE IDP (2010/2011 TARGET)	ACTIONS TO CORRECT	SOURCE OF INFORMATION	AUD YES
18	SERVICE DELIVERY	Number of Councilors undergone leadership development training	not applicable	R 30,000	R 45,000	R 45,000	0	not applicable	Clerk register	
		CAP budget original	not applicable							
		CAP budget adjusted	not applicable							
		CAP budget actual spent	not applicable							
19	SERVICE DELIVERY	Number of senior management (Section 57) undergone leadership development training	not applicable	0	information not available	0	not applicable	current meet 57 managers have leadership skills	Monthly Expenditure Report	
		CAP budget original	not applicable							
		CAP budget adjusted	not applicable							
		CAP budget actual spent	not applicable							
			not applicable	R 30,000	R 45,000	R 45,000	0		Budget 2007/08	
			not applicable						Final Adjustment Budget	
			not applicable						Monthly Expenditure Report	
20	SERVICE DELIVERY	% improved cost recovery with respect to trading services: water	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality		
21	SERVICE DELIVERY	% improved cost recovery with respect to trading services: sanitation	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality		
22	SERVICE DELIVERY	% improved cost recovery with respect to trading services: electricity	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of Eskom		
23	SERVICE DELIVERY	% improved cost recovery with respect to trading services: refuse	not applicable	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality		

PERFORMANCE INDICATOR	MEASUREMENT (2006/2007)	MEASUREMENT (2007/2008 IDP TARGET)	THE IDP (2006/2007 TARGET)	INFO: YES
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PERFORMANCE INDICATOR	MEASUREMENT (2006/2007)	MEASUREMENT (2007/2008 IDP TARGET)	MEASUREMENT (2007/2008)	TARGET	service a responsibility of local municipality	service a responsibility of local municipality	YES
24 SERVICE DELIVERY	% improved cost recovery with respect to trading services: municipal rates	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality	
25 SERVICE DELIVERY	% improved cost recovery with respect to trading services: other (state others by inserting appropriate lines)	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality	
26 SERVICE DELIVERY	% of MIC budget original	not applicable	100%	100%	No actions	Municipality received more money whereas it budgeted loss. Projects rolled over to the next financial year	
	% of MIC budget spent	not applicable	100%	100%	No actions		
27 SERVICE DELIVERY	% of total municipal capital budget spent	not applicable	145%	100%	100%	Municipality received more money whereas it budgeted loss. Projects rolled over to the next financial year	
28 SERVICE DELIVERY	% of the municipal capital budget spent in applicable nodes as per the PSCS	not applicable	0%	25%	100%	Drinksburg nodal study and spatial development in progress	
29 SERVICE DELIVERY	% of the municipal capital budget spent in applicable corridors as per the PSCS	not applicable	0%	25%	100%	Money transferred to AmaZulu in the 2007/08 financial year	
30 SERVICE DELIVERY	% of the total capital budget spent in strategic intervention areas of the Spatial Development Framework	not applicable	0%	25%	100%		
31 SERVICE DELIVERY	% of the total municipal budget allocated to the development of community social infrastructure	not applicable	R 1 001 859	R 1 444 450	R 10 858 108		
32 SERVICE DELIVERY	CAP budget original	R 206 888	R 1 444 450	R 1 444 450	R 10 858 108	Budget 2007/08	
	CAP budget adjusted	R 866 000	R 1 444 450	R 1 444 450	R 10 858 108	Final Adjustment Budget	
	CAP budget actual spent	R 578 000	R 1 439 830	R 1 439 830	R 10 858 108	Monthly Expenditure Report	
	Number of households serviced with formal housing	not applicable	not applicable	not applicable	Not ADM's responsibility/function		
33 SERVICE DELIVERY	Number of ward committees established	not applicable	not applicable	not applicable	Not ADM's responsibility/function	service a responsibility of local municipality	
34 SERVICE DELIVERY	Number of ward committees functional (conduct meetings, have records and discuss issues with the municipality)	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality	
35 SERVICE DELIVERY	Number of ward committees trained	not applicable	not applicable	not applicable	not applicable	service a responsibility of local municipality	

[illegible]